



OPASTCO

ORGANIZATION FOR THE
PROMOTION AND ADVANCEMENT
OF SMALL TELECOMMUNICATIONS
COMPANIES

October 30, 2002

***NOTICE OF EX PARTE
PRESENTATION***

Ms. Marlene H. Dortch
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, D.C. 20554

RE: **Federal-State Joint Board on Universal Service**
CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200,
95-116, 98-170, and NSD File No. L-00-72

Dear Ms. Dortch:

On October 30th, 2002, the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) sent the attached written *Ex Parte* presentation to Chairman Michael Powell, Commissioner Kathleen Abernathy, Commissioner Michael Copps, and Commissioner Kevin Martin. In accordance with FCC Rules, this notice and a copy of the attached *Ex Parte* presentation are being filed in each of the above-captioned dockets.

Sincerely yours,

/s/Stuart Polikoff
Stuart Polikoff
Director of Government Relations

cc: William Maher



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PROMOTION AND ADVANCEMENT
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COMPANIES

October 30, 2002

Ex Parte Presentation

The Honorable Michael Powell,
Chairman
Federal Communications Commission
445 12th Street, SW, Room 8 B201
Washington, D.C. 20554

The Honorable Kathleen Abernathy,
Commissioner
Federal Communications Commission
445 12th Street, SW, Room 8 B115
Washington, D.C. 20554

The Honorable Michael Copps,
Commissioner
Federal Communications Commission
445 12th Street, SW, Room 8 A302
Washington, D.C. 20554

The Honorable Kevin Martin,
Commissioner
Federal Communications Commission
445 12th Street, SW, Room 8 A204
Washington, D.C. 20554

RE: **Federal-State Joint Board on Universal Service**
CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200,
95-116, 98-170, and NSD File No. L-00-72

Dear Commissioners:

OPASTCO supports an interim universal service contribution proposal, similar to one offered by the United States Telecom Association in its October 21st, 2002 *Ex Parte* presentation. The adoption of an interim proposal would give the Commission sufficient time to craft a permanent contribution mechanism that would: comply with the legal requirements of the Telecommunications Act of 1996 (1996 Act), maintain the sufficiency and stability of the universal service fund, and be administratively feasible.

As such, OPASTCO urges the Commission to approve an interim contribution methodology that would continue to use interstate, end-user revenues as a contribution base. Such a system would continue to ensure that sufficient funding is provided for existing universal service programs through equitable and nondiscriminatory contributions by all providers of interstate telecommunications service.

It is essential for the Commission to uphold its principle of competitive neutrality and the requirement of Section 254(d) of the 1996 Act for equitable and nondiscriminatory contributions from all providers of interstate telecommunications service. In order to ensure both of these are met, the Commission should raise the “safe harbor” contribution limit for wireless providers from 15 percent to a new level between 20-28 percent, unless a specific wireless carrier can determine its actual interstate retail revenue. This new safe harbor percentage should apply to wireless providers on a company-wide basis. Furthermore, the Commission should exercise its permissive authority to require all facilities-based broadband Internet access providers to contribute to universal service.

OPASTCO continues to oppose the “connection”-based universal service contribution mechanism proposed by the Coalition for Sustainable Universal Service (CoSUS), as it fails to comply with the 1996 Act. More specifically, the CoSUS plan and the “numbers-based solution” supported by AT&T both violate the mandate in Section 254(d) of the 1996 Act which states that every interstate telecommunications provider must contribute to universal service on an equitable and nondiscriminatory basis.

Throughout this proceeding, OPASTCO has reiterated its support of the Commission’s efforts to devise a flat-fee contribution mechanism that would comply with the provisions of the 1996 Act. We continue to believe that a flat-fee contribution mechanism, such as the one proposed in our joint comments with the National Rural Telecom Association, would be the most sustainable approach for funding universal service support programs.

The interim proposal is meant to provide the Commission with a reasonable opportunity to work collaboratively with telecommunications industry representatives in order to devise a workable and lawful flat-fee based universal service contribution methodology. OPASTCO and its member companies stand ready to work with you and the Commission’s staff to devise a universal service contribution methodology that will sustain these valuable support programs long into the future.

Sincerely yours,

/s/ John N. Rose
President,
OPASTCO

cc: William Maher